

SP 49 PIPELINE LLC

LOCAL TARIFF

Applying on the Interstate Transportation of

CRUDE PETROLEUM South Pass Block 49 Pipeline System

TABLE OF RATES

(RATE IN CENTS PER BARREL OF 42 UNITED STATES GALLONS)

FROM (Origin)	TO (Destination)	RATE
South Pass Block 50, Offshore Louisiana	South Pass Block 49 Onshore Facilities, Plaquemines Parish, Louisiana	[I] 63.72
South Pass Block 50,[+] Offshore Louisiana		[U]29.68 [+]
South Pass Block 49, Offshore Louisiana		[I] 259.38

[+] Incentive rate applies only for volumes in which entire crude oil production is dedicated to Carrier for life of lease executed before July 1, 2019.

GATHERING CHARGE

No gathering service will be performed under this tariff. The rate shown herein applies to trunk line transportation only.

GRAVITY BANK

Participation in the Gravity Bank is a requirement of transportation. SP 49 Pipeline LLC is the Operator of the South Pass Block 49 Pipeline System Gravity Bank. For Gravity Bank details applicable to movements shown in this tariff, see pages 2 - 4 of this tariff. Gravity Bank Adjustment Factors applicable to movements shown in this tariff are published in SP 49 Pipeline LLC's F.E.R.C. No. 6.0.0 and successive issues thereof.

The rates published in this tariff are subject to the Rules and Regulations published in SP 49 Pipeline LLC's F.E.R.C. No. [W] 62.0.0 and successive issues thereof. (See Exceptions, Page 2 through 4 hereof.)

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

Issued in compliance with 18 CFR § 342.3.

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The following Rules are Exceptions to the Same Named Rules in F.E.R.C. No. 2.0.0 and successive issues thereof, and apply to this tariff:

EXPLANATION OF TERMS AND ABBREVIATIONS

Crude Petroleum.....Direct liquid products of oil wells, condensate or a mixture thereof.

80 Gravity Bank

The Carrier has established gravity bank to calculate, collect and remit monetary adjustments among all Shippers tendering within the common stream from changes in gravity which result from common stream operations. A Table of Gravity Adjustment Authorization will be determined by Carrier, as described below. Gravity Adjustment Authorization Tables will be issued as separate tariff filings. Factors in the Gravity Adjustment Authorization Table shall be as published by GRAVCAP, Inc. Carrier will revise Gravity Adjustment Authorization Table only if there has been an increase or decrease made by GRAVCAP, Inc.

An announcement stating the new Gravity Adjustment Authorization Table will be made by tariff filing by Carrier to Shippers. Said Table will be filed to be effective not less than 45 days from the date of change of GRAVCAP, Inc.'s published Gravity Adjustment Authorization Table and upon the first day of the next month after that 45 day period has elapsed.

Carrier shall administer the gravity bank providing adjustments for the value of crudes of different gravities in the manner specified below:

I. Common Stream Calculation

At the end of each month, the weighted average gravity value of the gravity bank will be determined for all crude petroleum being received (Receipt Bank) into the commingled common stream system and similarly for the crude petroleum being delivered (Delivery Bank) out of the system. This value will be determined by dividing the total number of barrels received into the sum total of the products obtained by multiplying each receipt volume in such stream by the gravity value per barrel obtained from the gravity value table. Similar calculations will be made with respect to the deliveries.

II. Shipper Calculation

At the end of each month, each Shipper's gravity value will be determined by multiplying the quantity of barrels received from such Shipper by the gravity value per barrel obtained from the gravity value table. Similar calculations will be made with respect to the deliveries.

III. Receipt Bank

- (a) If the weighted average gravity value per barrel for a Shipper as determined under II is greater than that determined for the common stream under I, the Shipper will be credited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels received from such Shipper.
- (b) If the weighted average gravity value per barrel for a Shipper as determined in II is less than that determined for the common stream under I, the Shipper will be debited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels received from such Shipper.
- (c) The sum of debits and credits for all Shippers is zero.
- (d) Carrier will provide at the end of each month a record of the Shipper's calculation and debit or credit amount.

IV. Delivery Bank

- (a) If the weighted average gravity value per barrel for a Shipper as determined under II is greater than that determined for the common stream under I, the Shipper will be debited an amount which shall be calculated by multiplying the difference in gravity value per barrel by the total barrels delivered for such shipper.
- (b) If the weighted average gravity value per barrel for a Shipper as determined under II is less than that determined for the common stream under I, the Shipper will be credited an

amount which shall be calculated by multiplying the difference in gravity value per barrels by the total barrels delivered for such shipper.

(c) The sum of debits and credits for all Shippers is zero.

(d) Carrier will provide at the end of each month a record of the Shipper's calculation and debit or credit amount.

V. Example of Gravity Bank Settlement

A. Receipt Bank

Shipper	Shipment Volume (Bbls) Received	Measure Gravity API	Gravity Value \$/Bbl*	Volume x Value \$
A	50	24.5	3.425	171.25
A	20	23.7	3.305	66.10
	<hr/> 70			<hr/> 237.35
B	30	24.9	3.485	104.55
Total	<hr/> 100			<hr/> 341.90

* Using example table

Common Stream Value = $341.90 \div 100 = 3.41900$

\$

Shipper A Calculation:

Weighted Average gravity value per bbl. = $237.25 \div 70 = 3.39071$

$(3.39071 - 3.41900) \times 70 = -1.98$

Shipper A pays

1.98

Shipper B Calculation:

$(3.485 - 3.41900) \times 30 = 1.98$

Shipper B receives

(1.98)

Sum of Payments and Receipts is zero

0

B. Delivery Bank

Shipper	Shipment Volume (Bbls) Received	Measure Gravity API	Gravity Value \$/Bbl*	Volume x Value \$
A	40	24.4	3.410	136.40
A	29	24.8	3.470	100.63
	<hr/> 69			<hr/> 237.03
B	29	24.2	3.380	98.02
Total	<hr/> 98			<hr/> 335.05

* Using example table

Common Stream Value = $335.05 \div 98 = 3.41888$

\$

Shipper A Calculation:

Weighted Average gravity value per bbl. = $237.03 \div 69 = 3.43522$

$(3.43522 - 3.41888) \times 69 = -1.13$

Shipper A pays

1.13

Shipper B Calculation:

$(3.380 - 3.41888) \times 29 = 1.13$

Shipper B receives

(1.13)

Sum of Payments and Receipts is zero

0

API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	AAP Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl
13.0	1.700	18.0	2.450	23.0	3.200	28.0	3.950	33.0	4.700	38.0	5.606
13.1	1.715	18.1	2.465	23.1	3.215	28.1	3.965	33.1	4.715	38.1	5.062
13.2	1.730	18.2	2.480	23.2	3.230	28.2	3.980	33.2	4.730	38.2	5.064
13.3	1.745	18.3	2.495	23.3	3.245	28.3	3.995	33.3	4.745	38.3	5.066
13.4	1.760	18.4	2.510	23.4	3.260	28.4	4.010	33.4	4.760	38.4	5.068
13.5	1.775	18.5	2.525	23.5	3.275	28.5	4.025	33.5	4.775	38.5	5.070
13.6	1.790	18.6	2.540	23.6	3.290	28.6	4.040	33.6	4.790	38.6	5.072
13.7	1.805	18.7	2.555	23.7	3.305	28.7	4.055	33.7	4.805	38.7	5.074
13.8	1.820	18.8	2.570	23.8	3.320	28.8	4.070	33.8	4.820	38.8	5.076
13.9	1.835	18.9	2.585	23.9	3.335	28.9	4.085	33.9	4.835	38.9	5.078
14.0	1.850	19.0	2.600	24.0	3.350	29.0	4.140	34.0	4.850	39.0	5.808
14.1	1.865	19.1	2.615	24.1	3.365	29.1	4.115	34.1	4.865	39.1	5.082
14.2	1.880	19.2	2.630	24.2	3.380	29.2	4.130	34.2	4.880	39.2	5.084
14.3	1.895	19.3	2.645	24.3	3.395	29.3	4.145	34.3	4.895	39.3	5.086
14.4	1.910	19.4	2.660	24.4	3.410	29.4	4.160	34.4	4.910	39.4	5.088
14.5	1.925	19.5	2.675	24.5	3.425	29.5	4.175	34.5	4.925	39.5	5.090
14.6	1.940	19.6	2.690	24.6	3.440	29.6	4.190	34.6	4.940	39.6	5.092
14.7	1.955	19.7	2.705	24.7	3.455	29.7	4.205	34.7	4.955	39.7	5.094
14.8	1.970	19.8	2.720	24.8	3.470	29.8	4.220	34.8	4.970	39.8	5.096
14.9	1.985	19.9	2.735	24.9	3.485	29.9	4.235	34.9	4.985	39.9	5.098

(Actual Table Filed and Published Separately)

VI. Payments

At the end of each Quarter, a statement shall be rendered to each Shipper setting forth the net debit or credit balance of said Shipper's gravity value account and specifying the amount required to be paid (or received) to settle the account.

All payments due from Shippers shall be made within (twenty) 20 days of the statement date. All crude petroleum which is received from a Shipper who has failed to pay such amounts shall be subject to the imposition of a lien to obtain payment of such amounts.

Carrier may, at its option, require the Shipper to pay all estimated obligations in advance or to provide an irrevocable letter of credit satisfactory to the Carrier for such obligations.

Payments to or from the Shippers as a result of Gravity Bank, are not part of the transportation tariff rates of Carrier and said payment shall not be offset or otherwise claimed by any Shipper against sums due Carrier for transportation or other charges collected pursuant to Carrier's tariff rules and regulations.

Rule 115 Inventory Requirements

Carrier will require each Shipper to supply a prorata share of Crude Petroleum necessary for pipeline fill and working stock for efficient operation of the Carrier's pipeline system prior to Delivery. Based on the total line fill of segment(s) utilized by Shipper, Crude Petroleum provided by a Shipper for this purpose may be withdrawn from the system only after shipments have ceased and if written notice to discontinue shipments in Carrier's system is received on or before the twenty-fifth (25th) day of the month preceding the last calendar month in which the Shipper intends to ship.

EXPLANATION OF REFERENCE MARKS:

[I] Increased rate

[W] Change in wording only

[U] Unchanged rate